

APPROPRIATIONS COMMITTEE

Meeting Minutes

For the Meeting Held On January 13, 2015

Meeting Time : 6:30 pm

Location : Council on Aging – Media Room

Address : 328 North Main Street, East Longmeadow, MA

Meeting Posted On: **Day:** Wednesday **Date:** 1 / 7 / 2015
(48 hrs required)

Is Meeting Being Recorded by Digital Recorder: Yes X No _____
The Minutes of this Meeting are being taken by: Marge Larocca

Committee Members: (check if attended)

Eric Madison	✓	Russell Denver	✓	James Broderick	✓	James Walsh	✓
Dawn Starks	✓	Rocco Carabetta	✓	Sam Pizzanelli	✓	Sara Menard	✓

Attendees: Paul Federici, Angela Thorpe, Nick Breault, Robert Peirent, Daniel Burack, John Maybury, Thomas Wilson, James Sheils.

Did the Chair release any prior Executive Session Minutes?

Yes		No	x
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Dates of Executive Session Released :

TOPIC / MATTER #1 Water/Sewer Enterprise Funds

Summary of Matter Discussed :

- The Chairman opened the meeting and announced that this was a joint meeting between the Appropriations Committee, Board of Selectmen and Board of Public Works.
- The Chairman gave a description of trying to develop budget expectations for FY16 regarding the implementation of Water and Sewer Enterprise Funds, and would like to have an agreement between the boards to be able to create budget assumptions.
- Mr. Breault stated that the Board of Selectmen have considered the agreement over a few meetings, and did have some questions.
- Mr. Peirent distributed a document detailing the budgets of the DPW divisions, and gave an explanation about the costs of the enterprise funds for FY16. He indicated that the costs shown are estimated as it is unknown what the costs will be going forward. He spoke about costs that will impact the enterprise funds which were previously funded through the general fund, and will now be funded by the rate payers instead of the tax payers.
- The Chairman asked if there was any discussion about looking at indirect costs in the future for the enterprise funds.
- Mr. Peirent indicated that changes could be made to the agreement with the mutual approval of both boards.
- Mr. Federici indicated that the Board of Selectmen are in favor of the direction that the agreement is going in.
- The Chairman asked if the numbers that are being presented, can be used by the Appropriations Committee to formulate FY16 budget assumptions. Mr. Maybury stated that the Board of Public Works had taken a vote and approved the numbers that were

presented tonight.

- Mrs. Thorpe had a question about insurance costs for DPW vehicles. Mr. Peirent noted that any of those costs should be carried by the funds.
- The Town Accountant stated that the OPEB liability had not been allocated to the enterprise funds, and that it should be handled similar to health insurance costs.
- Mr. Burack spoke about the steps that were taken in identifying the costs for the enterprise funds.
- Mr. Denver asked when the Board of Selectmen would be taking their vote to approve the enterprise fund amounts. Mr. Federici said that they would take a vote at the next Board of Selectmen's meeting.
- A motion was made to adjourn the Board of Public Works meeting at 6:50PM. The motion was seconded and all BPW members were in favor.

Documents or Exhibits for this Matter:

- DPW Division Expenditures & Budgets FY14 – FY16

Votes Taken Under this Matter :

- None

TOPIC / MATTER #2

Board of Selectmen – cost saving measures

Summary of Matter Discussed :

- The Chairman asked for any updates on employee healthcare plans, elected officials healthcare and local options meals tax.
- Mr. Federici spoke about his board taking a vote and sending letters out to the union representatives regarding potential changes to health care, and they now are currently waiting for information. He spoke about having basic discussions about elected officials healthcare, and noted that the local options meals tax hadn't really been discussed.
- Mr. Denver gave a description of the particulars of the amount that was presented for the costs of elected officials healthcare. He asked if the Board of Selectmen would hold a public hearing about continuing healthcare for elected officials. Ms. Starks suggested that the board look at better stipends for elected officials instead of healthcare, and that would potentially attract better candidates. Discussion followed about the impact of changes to healthcare plans.
- Mr. Federici stated that the meals tax would be discussed at the next Board of Selectmen's meeting.
- The Appropriations Committee Chairman stated that these cost saving measures need to be looked at as the tax rate is getting closer to the \$25.00 per thousand cap. He added that revenue & spending controls need to be looked into in order to make it affordable to live in town.
- Mr. Denver made a request of the Board of Selectmen to discuss and take a vote before April 3rd pertaining to the meals tax. Mr. Federici agreed.
- The Chairman announced that the report from the Capital Planning Committee hasn't been received yet, and discussion about capital projects hasn't occurred. Mr. Federici said that the Board of Selectmen will discuss the topic at their next meeting and create a priority list.
- The Chairman of the Board of Selectmen made a motion to move into Executive Session to discuss union and non-union negotiations, then return to open session to adjourn. The motion was seconded by Selectwoman Thorpe, and all BOS members were in favor.

Documents or Exhibits for this Matter:

- None

Votes Taken Under this Matter :

- None

TOPIC / MATTER #3

Meeting Minutes – November 25, 2014 & December 2, 2014

Summary of Matter Discussed :

- The Meeting minutes of November 25, 2014 and December 2, 2014 Meeting Minutes were reviewed. A motion to approve the December 2, 2014 Meeting Minutes was made and seconded. Mr. Walsh indicated that he did not attend the December 2nd meeting, so the motion was amended to accept the meeting minutes of December 2, 2014 as amended. All were in favor.
- A motion was made to approve the November 24, 2014 Meeting Minutes. The motion was seconded and all were in favor.

Documents or Exhibits for this Matter:

- Appropriations Committee Meeting Minutes: November 25, 2014 & December 2, 2014

Votes Taken Under this Matter :

- A motion to approve the December 2, 2014 Meeting Minutes was made and seconded. Mr. Walsh indicated that he did not attend the December 2nd meeting, so the motion was amended to accept the meeting minutes of December 2, 2014 as amended. All were in favor.
- A motion was made to approve the November 24, 2014 Meeting Minutes. The motion was seconded and all were in favor.

TOPIC / MATTER #4

Distribution of Department Budget Requests

Summary of Matter Discussed :

- The Chairman spoke about receiving an notification from Mr. Fenney in regards to receiving bids for the fire alarm at the police department. It had been appropriated at \$25,000 and the lowest bidder came in at \$1,900.00 over the appropriation. The project has since started and the difference would be taken out of the building maintenance account.
- The Town Accountant distributed the FY16 Department Budgets. The Chairman gave an explanation about increases in the Appropriations Committee budget to cover costs associated with Appropriations and Capital Planning committee clerks, dues & memberships and office supplies. Mr. Broderick spoke about the Association of Town Finance Committees and gave a description of things available through the association. He added that the committee hasn't made enough use of the membership. The Town Accountant gave a description of the type of information that is provided and offered by the Association.
- The Chairman stated that the budget the School Committee will be submitting is going to be a preliminary budget as some of their budget item information isn't available yet.
- The Chairman noted that the Planning Board and the Board of Assessors would be at the next scheduled meeting to discuss their budgets. He asked that committee members send him any in depth questions they might have and he would contact the department head prior to the meeting.
- The Town Accountant gave a description of the contents of the budget packets that were distributed.
- Discussion followed about the process the Board of Selectmen uses in setting the tax rate and the process of the Appropriations Committee uses to create budget recommendations. Discussion began next about the timeline of re-valuation of real estate and personal property.
- Mr. Broderick asked about the timeframe of the signing of the water and sewer enterprise fund agreement. The Town Accountant explained that the regulation for

water and sewer enterprise funds stipulates that a budget has to be submitted, not necessarily approved, by 120 days prior to the start of the Fiscal Year. That date will be March 1st. The Chairman noted that the committee can move forward with the information from tonight's meeting pertaining to direct costs, and that the agreement would need to be signed for indirect costs.

- Mr. Broderick inquired about a question that was asked at the December 2nd budget distribution meeting regarding guidance from the Appropriations Committee pertaining to negotiations. The Chairman stated that the full financial picture is unclear at this time. Therefore guidance cannot currently be given.
- Discussion began next about the Board of Selectmen's budget approvals. The Town Accountant stated that the first pages of the budgets were approved by the Board of Selectmen, and that they would have to prioritize the supplemental budgets after more direction of state aid is received.
- Discussion followed about the budget instructions that were provided pertaining to the 2% increase related to non-personnel related costs, and the confusion that has resulted. The Chairman asked Selectwoman Thorpe about what was approved in the budget submittals. She stated that just the bare bones were approved and the supplemental budgets were not approved. She added that her committee is waiting to hear from the state and her understanding was that there was a substantial deficit. She said that they wanted to see what was going to happen and what's best for the Town. Mr. Carabetta asked Selectwoman Thorpe if the supplemental budgets have been prioritized. She stated that they have not.
- Mr. Pizzanelli asked about the process of handling any supplemental budgets if there were any extra money. The Chairman stated that the Appropriations Committee is a recommending body and would like to work with the individual boards on their priority supplemental lists.
- The Chairman spoke about a correspondence addressed to the Board of Selectmen from a resident in town that is making suggestions about tiered health insurance plans.
- Mr. Denver asked Selectwoman Thorpe about a letter that the Board of Selectmen received from the state about a new high school. Selectwoman Thorpe explained that the letter stated that the town would not be considered for the reimbursement of a new school. Conversation followed about the timeline to re-submit another application to the Mass. School Building Association.
- A Reminder newspaper article pertaining to full-day kindergarten was distributed. The Chairman gave an explanation about the School Committee's interest of shifting the cost of kindergarten from user fee to the budget now that the bond is paid off for the portable classrooms.

Documents or Exhibits for this Matter:

- School Committee Reminder Article

Votes Taken Under this Matter :

- None

8:00 PM: Motion to Adjourn

Next Meeting: January 20, 2014 – 6:30PM – Council on Aging – Conference Room

MEETING FOLLOW UP:
Updated Sources & Uses with FY16 Budget information & water/sewer enterprise fund
PRIOR MEETING NOTES:
Average cash balances – where are they at?
Note: Set date for Auditor’s budget forum
Committee Goals :
Health Insurance Plan Designs
Health Insurance for part-time Elected Officials
Meal Tax generation
Professional Development Class
Increase OPEB Appropriation
Establish a Capital Planning Budget